

NEW YORK CITY COUNCIL

OF

POLITICAL REFORM.

Official Document on Extravagance of the Tammany Ring.

Over \$50,000,000 a year Spent and no Accounts
Rendered.

Debt Increased in 28 Months, - - \$50,134,138 65.
Debt Increased in last 4 Months, - 10,854,959 81.

At a meeting of the Twenty-first Ward Council of Political Reform, held on the 29th June, 1871, the President, Honorable Thomas W. Clerke, in the Chair, General J. C. Jackson, Secretary, the following Report on the City and County Debt and Finances was made by Dexter A. Hawkins, Esq., and by a unanimous vote ordered to be given to the press.

At a meeting of the New York City County Council of Political Reform, held at their Rooms in the Plimpton Building on July 11, 1871, the Report was unanimously adopted as an Official Document of the Council, and ordered to be printed in pamphlet form for general circulation.

REPORT.

GENTLEMEN: For two years and four months, ending on May 1st last, the Mayor and Comptroller of the City of New York kept the tax-payers and the public in ignorance of the manner in which they expended and disbursed the public revenue.

NO ACCOUNTS MADE PUBLIC.

In that period over \$100,000,000 of public money passed through their hands. Yet the law and the custom was clear and uniform that the Auditor should make a report quarterly, showing to a cent, first, for *what* every dollar of public money was paid out; and second, to *whom* paid; and third, *when* paid: and that the Comptroller should make his reports at the end of each year, showing for the year the whole financial transactions of the city and of the county, and a minute statement of the city and county debts and liabilities; and that on the 1st of January of each year the Mayor should, in his annual message, give to the public a summary statement of these important facts.

The quarterly reports of the Auditor and the annual reports of the Comptroller were published and distributed to the press, and also to all tax-payers and bondholders who called for them.

This honest and old-fashioned practice of our public servants ceased on January 1, 1869! From that date till this present month of June, 1871, going on three years, they concealed from the public eye what they did with the public money. But in order to silence the public clamor, they did put forth, just before election, a false statement of the public debt, signed by three of the wealthiest men of the city, Messrs. ASTOR, ROBERTS and TAYLOR.

REPORTS MADE TO DECEIVE THE PEOPLE.

Finally, on the 12th of this month, the Mayor and Comptroller, in general statements and round numbers, claim to tell

us what they have done with over one hundred millions of public money, and what is the present debt of the city and county. *But no Auditor's report is made public; yet it is only the Auditor's report that will show to whom the money was paid, and when paid, and for what paid.*

No Comptroller's report even is made public for the year 1869.

These statements have not the clearness, footings, system or particulars that heretofore have characterized such documents. They bear on their face evidence of an intention to mislead, and confuse, and deceive, instead of to enlighten the tax-payer and public creditor.

ENORMOUS GROWTH OF DEBT OFFICIALLY ADMITTED.

But the figures of the Mayor and Comptroller show :

1. *A greater expenditure,*
2. *A larger indebtedness, and*
3. *A more reckless extravagance than the bitterest enemies of the city rulers had ever alleged against them.*

In order to show clearly the financial character of their administration, I have compiled *wholly from official sources*, and had examined by an accountant, the following annual tables, showing the city debt and the county debt from December 31, 1858, to May 1, 1871, *excepting the year 1869; no report has ever been made public for that year*, and as the tax-payers are not permitted to inspect the public accounts, I could not fill out the table for 1869.

The report for the year ending Dec. 31, 1870, was not made till the 12th of this present month of June; being after the adjournment of the Legislature.

The city and county are the same in territory and population, and up to January 1, 1859, their accounts were kept together. Since then two sets of accounts have been kept, and two sets of reports made, one for the city and one for the county. But the same persons and same property are taxed to pay the debts and expenses of both the city and county; hence they may be treated as a unit.

I ask a thoughtful scrutiny of these tables; they interest every owner of property, not only in this City, but in the whole country.

Year.	County Debt.	City Debt.	Total City and County Debt.	Sinking Fund.	Net Debt of City and County, less Sinking Fund.
Dec. 31, 1858.....		\$22,690,669 00	\$22,690,669 00	\$2,698,021 00	\$19,992,648 00
Dec. 31, 1859.....	\$20,000 00	23,876,010 00	23,896,010 00	6,500,222 00	17,395,788 00
Dec. 31, 1860.....	575,500 00	23,433,644 00	24,409,144 00	5,207,703 00	18,801,441 00
Dec. 31, 1861.....	750,600 00	25,599,244 00	26,349,844 00	6,256,945 00	20,092,899 00
Dec. 31, 1862.....	1,431,700 00	27,491,642 00	28,923,342 00	7,227,835 00	21,695,507 00
Dec. 31, 1863.....	4,271,400 00	29,898,942 00	34,170,342 00	7,701,678 00	26,468,664 00
Dec. 31, 1864.....	10,804,900 00	31,776,824 50	42,581,724 50	8,483,930 87	35,975,675 13
Dec. 31, 1865.....	12,316,200 00	33,326,524 50	45,642,724 50	9,669,127 39	35,973,597 11
Dec. 31, 1866.....	11,816,300 00	33,371,476 50	45,187,776 50	11,229,231 49	33,958,545 01
Dec. 31, 1867.....	13,551,700 00	33,525,774 45	47,077,474 45	13,985,732 16	33,091,742 29
Dec. 31, 1868.....	15,882,800 00	34,746,030 80	50,628,830 80	16,221,782 89	34,407,047 91
Dec. 31, 1869.....	No accounts have been made public for this year.	The reason appears in the figures below.			
Dec. 31, 1870.....	29,867,550 00	61,617,896 51	91,485,446 51	17,799,219 76	73,686,226 75
April 30, 1871.....	32,488,150 00	70,395,664 51	102,883,814 51	18,342,627 95	84,541,186 56
Dec. 31, 1868, to April 30, 1871.....	Increase of Funded and Bonded County Debt in last 28 months. \$16,605,350 00	Increase of Funded and Bonded City Debt in last 28 months. \$35,649,633 71	Increase of City and County Funded and Bonded Debt in last 28 months. \$52,254,983 71	Increase of Sinking Fund in last 28 months only. \$2,120,845 06	Increase of Net Funded and Bonded Debt of City and County, less Sinking Fund, in last 28 months. \$50,134,138 65
Dec. 31, 1870, to April 30, 1871.....	Increase of same in last four months. \$2,620,600 00	Increase of same in last four months. \$8,777,768 00	Increase of same in last four months. \$11,398,368 00	Increase of Sinking Fund in last four months only. \$543,408 19	Increase of same, less Sinking Fund, in last four months. \$10,854,959 81

WITH HONESTY THERE WOULD BE NO INCREASE OF DEBT.

There was no necessity for adding a dollar to the city or county debts since 1868, for the taxes, assessments and annual income from various sources, called in the accounts the General Fund, were sufficient, if administered with common prudence and honesty, to pay all the expenses of the city and county, as the following figures show :

1870, Taxes levied.....	\$23,569,127 71
1870, Assessments, new lists of 1870.....	5,715,071 09
1870, General Fund.....	2,457,772 35

Total for 1870.....	\$31,741,971 15
---------------------	-----------------

No account was rendered for 1869 ; but assuming it to be the same as 1870 (if not so they can give the public the accounts)...	\$31,741,971 15
--	-----------------

Total means without resort to loans...	\$63,483,942 30
The additions to funded and bonded city and county debt in 1869 and 1870 were.....	\$39,279,178 84

Hence amount expended in the two years.....	\$102,763,121 14
Average expenditure per year.....	\$51,381,560 57

The above tables include only the funded and bonded debt of the city and county. How large the floating debt now is our city rulers refuse to disclose. We know it is reckoned by *millions*, and nothing but the "*Consolidated Debt Act*," which authorize the issue of long bonds for the whole debt of the city and of the county, and the *stay-law clause of the so-called "Two Per Cent. Act*," staying judgments against the city, has saved the City and County Treasury this year from bankruptcy.

This floating debt in 1868 was so large that the revenue of the year 1869 had to be anticipated to meet it. (See Sections 7 and 8, Chapter 853, Laws of 1868.)

ACCUMULATED DEBT BONDS IN TWO YEARS \$12,500,000.

In 1869 it was overcome by authorizing the issuing of long seven per cent. bonds, called "*Accumulated Debt Bonds*" (see Section 4, Chapter 876, Laws of 1869), and in that year \$6,000,000 were issued.

In 1870, for a like purpose, six and a half millions (\$6,500,000) of these bonds were issued, and *all upon claims adjusted and paid by and through one and the same man, the Comptroller.*

WHERE THE RING GOT THEIR SUDDEN WEALTH.

In a sound fiscal system one officer *adjusts* claims and another *pays* them. From the weakness of human nature it is not deemed wise or prudent for the government of any great city or county to allow the *same* officer to adjust a claim *who* is to *pay* it; lest he may be tempted by a share of the money to conspire with the claimant and allow an unjust claim.

But in our city, in 1869 and 1870, a *single* officer, the Comptroller, *adjusted* and *paid*, by adding so much to the permanent debt, \$12,500,000 of claims!

The United States Government requires every claim to be investigated, first by an Auditor, then his decision to be reviewed by a Comptroller; after that a third officer examines the account, and, if found correct, issues the warrant on the Treasury for payment.

There cannot be too many checks on these public plunderers.

At the close of the Mexican war, the Third Auditor, alone, by an Act of Congress, was empowered to adjust and pay certain claims for lost tools, wagons, animals and boats. The amounts were small. But, during the Rebellion, the word "boats" having been held to include "*steam-boats*," the claims became large, and Congress immediately took the power from the Third Auditor, and required these claims, like all others, to go from the Auditor to the Comptroller, and then to a third officer for payment.

Accumulated debt bonds, \$12,500,000 in two years, have to tax-payers and public creditors a disagreeable sound. The

Comptroller, however, in his report, kindly saves their nerves by giving no light upon, and saying the least possible about, this unpleasant item.

April, 1870, there were many millions of floating claims against the county; claims that the holders did not wish to submit to judicial investigation.

By Section 4, of Chapter 382, Laws of 1870, the scrutiny of the Courts was avoided, and the Mayor, Comptroller, and the then President of the then Board of Supervisors, were authorized to audit these claims, and the Comptroller to pay them by revenue bonds, payable in 1871. *Some tax-payers were so ill-mannered as to allege that these claims were owned or controlled by the friends of the three adjusters.* But the public nerves are again saved by giving no explanation upon this matter.

In one year these three gentlemen, with commendable diligence and *silence*, audited and paid \$6,312,541 37 of these claims against the county, and, in so doing, absorbed in advance the county revenues of this year.

These officers have been repeatedly requested to give the public a statement of the claims audited and paid under that section, but they disclosed nothing.

They were then charged with having paid out on these claims, doubtful at best, *five millions*.

The Comptroller's Report shows \$6,312,541 37 paid by issuing \$6,312,000 of bonds, falling due next December. But as there is no money to pay these *short bonds*, they are, under the "Consolidated Debt Act," to be converted into *long bonds*, and added to the permanent debt of the county. This secret Court may have audited millions more, and they may go on auditing and paying by issuing short bonds and then converting them into long bonds without limit. It is a mine almost as rich, to the workers of it, as the Erie Railroad—and controlled by the same Ring.

We have in these two items, viz.: Claims adjusted and paid by the Comptroller *alone*, \$12,500,000, and claims adjusted by the trio, \$6,312,541 37, and paid by one of the trio issuing \$6,312,000 of revenue bonds, the modest sum of \$18,812,000 added to the permanent debt of the city and county.

THEY BORROW MONEY TO PAY OUR SHARE OF STATE TAX.

They squandered the money wrung from the tax-payers in 1869 and 1870 to such an extent that they were unable to pay the city's quota of the State taxes, and then borrowed the money to pay State taxes by issuing seven per cent. long bonds, called, by way of joke I presume, "Tax Relief Bonds," which of \$5,767,000 they admit to have been issued, and are now outstanding.

We might in that way, if capitalists would lend to us, be relieved entirely from taxes until the "Tax Relief Bonds," and interest, equaled our property, when the public creditor could foreclose upon us, take our whole estates, and so relieve us from taxes for all future time. The financial management of our city rulers for the last twenty-eight months would seem to indicate that this is their benevolent intention!

Our city rulers were charged last April, by their political opponents, with having swelled the city debt up to *seventy millions*, and that, for fear of public indignation, they dared not make the usual reports.

They now officially admit the funded and bonded debt at that time to have been over eighty-four millions—in addition to this is the floating debt.

THEY INCREASE OUR DEBT ANNUALLY \$21,486,059.40.

They admit officially that in the last twenty-eight months they have added over fifty millions (\$50,134,138 65) to the city and county funded and bonded debt, besides the floating debt.

They admit officially, that in the last four months they have added nearly eleven millions (\$10,854,959 81) to the city and county funded and bonded debt, and this does not include the floating debt.

If the wealthiest merchant in this city would allow his employees to manage his finances in this way, he would soon be found in the Court of Bankruptcy.

The city and county are subject to the same inexorable law of finance, and are going at a gallop down the same road. The

Mayor sees it, and as counsellor for the party that for ten years have ruled the city, took six weeks to prepare and shape his message, so as, if possible, to appease or turn aside the public indignation.

He tries to save himself and friends by reference to the national finances.

CONTRAST BETWEEN CITY AND NATIONAL FINANCES.

Let us see how the fiscal management of the city compares with that of the nation.

The city rulers showed *no account for twenty-eight months*.

The national rulers report in full and *minutely on the first day of each month*, for the preceding month, furnish the report to the press, from Maine to California, and mail a tabular statement to every one who asks for it.

The city rulers in the last two years *more than doubled the city debt*.

The national rulers in the same period *reduced the debt of the nation eight per cent.*, and *reduced taxation some twenty per cent*.

Comptroller Connolly gives not a line of explanation of the \$18,812,000 added to the city and county debt in two years, on claims adjusted by himself alone, and himself and the Mayor and President of the Board of Supervisors, *but he devotes seven pages to a vain attempt to show that the debt will pay itself in forty years without resort to taxation*, and leave a balance of twenty-seven millions in the treasury!

Where does he and the whole Ring propose to go for that forty years? For, judging the future by the past, the debt *will never be paid*, or the Treasury contain a dollar of balance, so long as they hold the keys to it.

OUR WHOLE PROPERTY TO BE ENGULFED IN DEBT.

Their own figures show this :

The total valuation of the real and personal estates in the county is.....	\$1,047,520,224 00
The net city and county funded and bonded debt April 30, 1871, was.....	84,541,186 56
Present amount of real and personal estates not already swallowed up by the debts...	\$962,979,037 44
Now the Mayor, Comptroller and the Ring have, in the last twenty-eight months, added \$50,134,138 65 to the debt. At this rate, in forty-five years, they would add	966,872,573 04
To the debt, which exceeds all our estates, real and personal, by.....	3,893,535 60

We then shall need no more "*Tax Relief Bonds*," for we shall have been kindly relieved by these gentlemen of our whole estates, and hence *have nothing to be taxed*.

At the rate they have *added to the debt in the last four months*, in thirty years they would swallow up in debt our whole estates and \$1,396,685 46 over.

Public servants never refuse to obey the law and show their hands when they have honest hands to show.

The municipal extravagance, corruption and incapacity of the last twenty-eight months is unexampled in history.

No city or county can show its equal.

Until our city rulers produce their accounts and vouchers, and deliver to the public the regular quarterly reports of the Auditors for the last twenty-eight months, showing *to whom*, *when* and *for what* they paid the *four millions a month* spent by them in that period, tax-payers and the public creditors cannot avoid the belief that a large part of it was stolen, traitorously stolen.

EXECUTIVE COMMITTEE

OF

NEW YORK CITY COUNCIL OF POLITICAL REFORM.

~~~~~

W. F. Havemeyer,  
Geo. C. Barrett,  
J. H. Ockershausen,  
Robert Haydock,  
Cephas Brainard,  
Hooper C. Van Voorst,  
James M. Halsted,  
Jackson S. Schultz,  
Henry Nicoll,  
E. L. Fansher,  
Charles Butler,  
Zopher Mills,  
Isaac H. Bailey,  
Thos. C. Acton,  
C. C. Colgate,  
Hiram Merritt,  
J. C. Havemeyer,  
Robert Hoe,  
Geo. Hencken, Jr.,  
Richard Kelley,  
C. L. Brace,  
John Hecker,  
John Elliott,  
F. C. Bowman,  
J. C. Holden,

John Wheeler,  
D. Willis James,  
Dexter A. Hawkins,  
John Stephenson,  
Geo. J. Hamilton,  
A. R. Wetmore,  
R. H. McCurdy,  
Alfred C. Post, M. D.,  
W. Walter Phelps,  
E. B. Wesley,  
A. S. Hatch,  
J. Pierpont Morgan,  
O. S. Strong,  
John Falconer,  
Geo. P. Putnam,  
S. S. Constant,  
Allan Hay,  
W. H. Jackson,  
Elisha Harris, M. D.,  
S. D. Moulton,  
Robert Sewell,  
James Davis,  
W. H. Nelson,  
Theophilus Brown,  
Richard Warren.

H. N. BEERS,  
*Secretary.*

HENRY CLEWS,  
Banker, 32 Wall Street,  
*Treasurer.*

